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HEARING DIVISION PROPOSED AMENDMENT # 1

AZ CORP COMMISSION
DOCKET CONTROL

TIME/DATE PREPARED October 19, 2010

COMPANY: Coronado Utilities, Inc.

AGENDA ITEM NO. U- 9

DOCKET NO. SW-04305A-09-0291

OPEN MEETING DATE: October 18-19, 2010

Page 8, lines 16-24

DELETE "Mr. Bourassa utilized . . ." through "Coronado's capital structure."

Page 9, line 2

INSERT after "recent rate cases"

"and is not reasonable under the totality of circumstances present in this case."

Page 9, lines 2 - 17

DELETE "In the recent Black Mountain Sewer Company . . ." through end of paragraph.

INSERT "In this case we find that a cost of equity of 10.5 percent and a hypothetical capital structure as set forth below that results in a weighted cost of capital of 7.25 percent is reasonable and should be adopted."

	\$ amount	% of Total	Cost/ Rate	Weighted Cost
Long Term Debt	\$2,575,000	61.1	6.25%	3.82%
Preferred Stock	570,000	13.5	6.50%	0.88%
Stockholder Equity	504,024	25.3	10.5%	2.66%
Totals	3,649,024	100.0		7.25%

Make all conforming changes.

Arizona Corporation Commission

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